



GOV. MSG. NO. 236

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 28, 2015

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Senate President Kim:

The Hawaii Government Employees Association (HGEA) and the public employers have reached a tentative agreement concerning Collective Bargaining Units 3 and 4 (White Collar Nonsupervisory and White Collar Supervisors). Ratification of the collective bargaining agreement is expected on April 29, 2015. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. While this agreement has not yet been ratified, the following summaries of the included and excluded requirements of the settlement for the upcoming fiscal biennium are being transmitted to the Legislature for authorization in anticipation of union ratification to facilitate meeting the legislative timetable:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$21,078,842	\$41,056,343	\$62,135,185
Special	4,245,340	8,097,018	12,342,358
G.O. Bond	169,264	317,233	486,497
Federal	2,814,894	5,471,831	8,286,725
Other Federal	255,379	505,619	760,998
Trust	122,206	172,080	294,286
Interdept. Transfers	75,751	146,651	222,402
Revolving	264,573	486,485	751,058
Other	76,327	144,470	220,797
Special Fund CIP	<u>386,344</u>	<u>705,522</u>	<u>1,091,866</u>
Total	\$29,488,920	\$57,103,252	\$86,592,172

Of the above amounts, the following are for the Hawaii Health Systems Corporation (HHSC):

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
Special	\$1,924,382	\$3,694,664	\$5,619,046

It should be noted that HHSC has indicated that it cannot absorb these additional salary costs and will be requesting an increase in its general fund subsidy from the Legislature for this purpose.

An agreement with HGEA regarding Employer-Union Trust Fund (EUTF) contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
General	\$2,708,872	\$5,032,828	\$7,741,700

In addition, although a tentative agreement has not been reached with HGEA for Bargaining Unit 14, the following amounts are provided because Bargaining Unit 14 members, by statute, are entitled to the terms for Bargaining Units 3 or 4, as appropriate, until they have negotiated an initial contract.

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>Salaries & Fringe</u>			
General	\$1,286,692	\$2,298,951	\$3,585,643
Special	96,935	184,471	281,406
Interdept. Transfers	<u>198,321</u>	<u>356,026</u>	<u>554,347</u>
Total	\$1,581,948	\$2,839,448	\$4,421,396

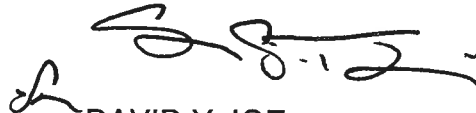
The estimated costs for Bargaining Unit EUTF 14 are as follows:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
General	\$139,733	\$258,373	\$398,106

The Honorable Donna Mercado Kim
April 28, 2015
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Attached is a proposed draft bill which amends Senate Bill No. 1078, S.D. 1, H.D. 1, in its entirety, to fund the settlement.

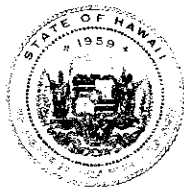
Sincerely,

A handwritten signature in black ink, appearing to read "David Y. Ige", with a stylized flourish at the end.

DAVID Y. IGE
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 28, 2015

GOV. MSG. NO. 236

The Honorable Joseph M. Souki
Speaker of the House of Representatives
Twenty-Eighth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Speaker Souki:

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Sincerely,

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DAVID Y. IGE
Governor, State of Hawaii

Attachment

c: Honorable Sylvia Luke